PERFORMANCE MEASURES

City of Wichita, Kansas

Performance measurement is a way to assess the effectiveness, efficiency and quality of municipal services, in order to identify problems, progress or trends. The underlying purpose is to improve management decision making, resulting in lower cost for services, higher service levels, and other quantifiable benefits.

After several years of focused effort by City departments, the City has completed its first full year of reporting and monitoring under the new system. Many departments have for some time independently counted, monitored, tracked or in some way measured performance. The new system, however, represents the first comprehensive effort to provide a fully integrated, decision-driven, management information system.

To facilitate the City's performance measurement development, an initial on-site seminar was conducted for staff by Paul Epstein, consultant and author of performance measurement works. The final stage of development and the implementation phase been directed by Dr. Mark Glaser, loaned faculty from the Wichita State University (1989-90 academic year) and currently Special Assistant to the City Manager. Ongoing oversight of performance measurement is the responsibility of the Department of Finance (Financial Planning and Research).

Performance Measurement System Goal
The City's goal in establishing a comprehensive performance system is to integrate the allocation of resources (annual budget), long-range planning (Strategic Agenda) and short-range planning (departmental priorities of workloads, targets and standards). The City has elevated its performance measurement approach by:

(1) Providing central support to establish a uniform approach, and to introduce the concept in departments not formerly involved with it.

(2) Integrating measures with the City's annual budget and the Strategic Agenda.

(3) Having a central clearinghouse, allowing the information to be shared among decision makers in various departments, and especially by central management.

From the beginning, the performance measurement system has been designed as comprehensive and integrated. All departments have been involved, rather than having only one or two serve as pilots. Following introduction of a common performance measurement concept, the City has moved to promoting understanding and reporting among departments, and finally to the integration of measures into the central planning processes and documents.

Department Performance Measurement Reporting
Although departments report on a monthly basis, a separate performance measurement document summarizes on an annual basis. Each department's presentation begins with a Mission Statement, setting out its primary or

underlying service goal. This is followed with Performance Objectives, or narrative phrases listing work program activities that support the primary service goal. Objectives are followed by one or more descriptions of the Measures to be used in summarizing or projecting performance over a three-year period.

Several measures are used, including the following:

(1) Workload or Output Measures - Measures which present quantity of products or services produced without regard for resource investments.

(2) Productivity Measures - Measures which attempt to relate quantity of goods or services produced in comparison to human resources invested.

(3) Efficiency Measures - Measures, much like productivity measures, except they attempt to relate dollar costs associated with the product or service being produced.

(4) Effectiveness Measures - Measures which are goal oriented and attempt to answer the question, "Is the program or service having the desired impact or result?"

Not everything departments do can be easily converted to numbers. Use of words in Qualitative Reporting therefore becomes important. Categories for organizing qualitative reporting are Strategic Agenda (City program priorities), Strategic Action (supporting the Strategic Agenda), Program Action (new services, programs, and managerial action); Day-to-Day Activities (not easily quantifiable); and Environmental Conditions (events beyond departmental control, such as a major storm). Estimates of completion status and human resources are included when appropriate.

The Uses of Performance Measurement

Performance measurement does not improve performance; however, communication associated with performance measurement can impact performance. Performance measures are not the answer to problems but are designed to stimulate discussion in an effort to find appropriate solutions. Performance measurement does not always explain why a variation in performance occurs, but may signal change (both positive and negative) to which managers need to respond. Finally, performance measurement is designed to provide for focused discussion of important organization issues and allocation decisions.

Since performance measurement is a dynamic process, changes in reporting can be expected in future years. These may be technical, or in content, as feedback is received and changes are made for decision-making needs. Such feedback contributes to the vitality of the system and keeps performance measurement from deteriorating into a mere paper exercise. In these early years for concerted use of performance measurement, the City will be learning how to make effective use of this tool and introducing changes for improving it.

For relating department budget information to performance measures, the reader may refer to the table of contents in the separate "Performance Measures" document. This has been cross-referenced to the budgets for the corresponding departments, in the the 1992/93 Annual Budget document.

SAVINGS INCENTIVE PROGRAM

The City Council approved an amount of $500,000 in the 1990 budget for the establishment of a savings incentive program. The program is intended to finance projects that will result in reduced operating costs or increased revenues. Departments may apply for short-term loans to implement such projects, and use the savings or increased revenues to repay the loan.

The program is open to General, City/County, and Internal Service funds. Departments wishing to apply must submit an application with appropriate documentation to the Finance department. Projects must meet certain requirements in order to be considered. Application procedures and requirements are explained in an administrative regulation. Final approval of the loans is made by the City Manager.

The following is a list of projects that have been approved for funding through the savings incentive program along with the anticipated annual savings.

Savings Incentive Projects

Project	Annual Savings/ Revenue
1. **Telephone System Improvement**. A more technologically advanced trunk line will increase the number of incoming and outgoing calls to City departments while reducing operating costs. The initial cost is $21,000 and the loan will be repaid in two years. The project was initiated by the department of Finance and is accounted for in the Telecommunications internal service fund.	$ 15,370
2. **Police FAX Machine**. This project involves the purchase and use of a FAX machine to disseminate information from the Accident /Theft Verification Unit in the Records Section to insurance companies upon request. The initial investment to purchase the Fax machine is $2,560. The loan will be repaid in the first year. The Police department initiated this project.	$ 17,950
3. **In-house Design Work for Engineering Projects**. This project involves the purchase of hardware and software to enable in-house detailed design of under-$10,000 projects currently contracted out. The initial investment in equipment is $53,948 and the loan will be repaid in three years. The project was initiated by the department of Public Works and the savings will accumulate in the capital projects fund.	$111,240
4. **Hematology Analyzer**. The Health department is using the Savings Incentive Program to buy a new hematology analyzer in order to avoid costly maintenance ($11,370 per year). The new analyzer will cost $35,984 and the loan will be repaid in three years.	$ 11,370
5. **Computerized Inspection System**. This project involves the computerization of the fire permits inspection system. The new system will ensure reliable remittance and processing of the inspection permit fees. The initial capital cost is $100,000 which will be repaid in three years. The Fire department initiated this project. The revenues will accumulate in the General Fund.	$ 60,000
6. **Electrical Service Charge**. This project will enable Century II to have exclusive rights to install all electrical hook-ups within the facility. The charge to exhibitors for these electrical installations will constitute a new source of revenues for the General Fund. The initial cost to acquire the equipment is $17,260 and will be repaid in one year. The project was initiated by the Department of Community Facilities (Century II).	$ 49,110
Total annual savings/revenues	$265,040

EMPLOYEE SUGGESTION AWARDS PROGRAM

The City of Wichita established the Employee Suggestion Awards Program in 1984. The goal is to provide for increased efficiency of City operations by generating and implementing practical suggestions and solutions from as many employees as possible. Employees are encouraged to submit suggestions that result in increased revenue, savings in time, savings in money, improved quality of service and procedures, a safer work environment, and enhanced employee morale.

The Employee Suggestion Committee has received and reviewed 450 suggestions. Of these, 86 have been implemented, resulting in net first-year savings alone of more than $250,000.

The program gives employees monetary awards for implemented suggestions. Implementation costs and awards are funded from savings generated by the suggestions.

EMPLOYEE SUGGESTION PROGRAM AWARDS AND SAVINGS BY DEPARTMENT - 1984-1990

Department	Number Awarded	Gross First-year Savings	Implemen- tation Costs	Gross Savings Less Impl. Costs	Awards	Net First-year Savings
City Manager	4	4,468	35	4,433	628	3,804
Finance	7	16,820	2,900	13,920	601	13,319
Fire Department	8	20,224	2,433	17,791	2,155	15,636
Health Department	6	17,368	1,896	15,472	581	14,890
Housing and Economic Development	3	1,253	0	1,253	150	1,103
Human Services	2	0	919	(919)	15	(934)
Metropolitan Transit Authority	1	638	0	638	60	578
Municipal Court	9	78,729	148	78,581	2,353	76,228
Park Department	2	4,096	517	3,580	210	3,370
Police Department	6	10,234	0	10,234	1,142	9,092
Public Works	9	46,180	3,600	42,580	1,175	41,405
Water and Sewer Department	28	94,575	13,773	80,802	6,937	73,865
Wichita Housing Authority	1	547	118	429	0	429
Total	86	295,132	26,338	268,794	16,008	252,786